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THIS IS UNEVALUATED INFORMATION

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1. On 18 June 1952 a Soviet commission went down to inspect the bauxite mine at Sz8c, 4 km. from Halimba. 25X1
all bauxite and aluminum concerns are to be transferred entirely to Russian control and it is thought that the management of Halimba is to take over the running of the Sz8c mine. It is even thought possible that the name will be changed from Maszobal to something else. The Russians are determined to make a big increase in production.
2. The plan figure for bauxite production for 1953 is expected to be 1,300,000 or 1,400,000 tons. Whereas in the past only the highest grade of bauxite has been used, it is now intended to use the other qualities as well. The richness of the Malimba mine is still uncertain, as borings constantly produce further unsuspected deposits. A seam of manganese 7 or 8 meters wide has also recently been discovered. Efforts are now being made to increase manpower by intakes from other districts.
3. The problem of transport was again discussed and following a visit from Lajos Bebrics, the Minister of Communications it has finally been decided to build the new railway line from Halimba to Ajka. The only steam engine available for the old narrow gauge line to Devecser is still not functioning owing to lack of spare parts, but every effort is being made to get it into service again so that deliveries can go on while the new line is being built.
4. Pál Sz8lgy6ni head of the non-ferrous metals department of the Ministry of Mining and Power, and his deputy Gy6rgy Dobos have both been discharged recently.

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5. The current serious shortage of steel and alloys is having a pronounced effect on the Hungarian industry. The following examples were given:

a. Rakosi Works (Rakosi Matyas Művek)

1. Of the 50 different alloy steel products having molybdenum, chrome, or tungsten contents which should be produced in the machine shop, only some fifteen can be made because of alloy shortages. No details of the products are given.
2. In December 1951, investigation was held into the disappearance of 4 lots of 64 tons of molybdenum steel which was required for producing gas pipeline machined joints. Because of this shortage, it was several months before these machined joints could be manufactured from the next consignment of molybdenum steel. During the investigation, the AVH discovered that a new tube-drawing machine had been manufactured of molybdenum steel; this fact apparently caused consternation because such steel can be purchased only with Western currency.

b. Ganz Car Factory (Ganz Vagógyár)

This factory suffers from a serious shortage of nickel, chrome, and paints. New cars are frequently returned for repair after a short time. About 50% of the production for the Soviets is rejected. As this deficiency has to be made good, the works have to produce double the quantity of goods stipulated in the Five Year Plan.

c. Ikarusz Car Body Shop (Ikarusz Gépkocsi Karosszéria Üzem)

[redacted] the products are much below standard owing to the poor quality of alloys and the general shortage of all raw materials, including wood.

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d. Oetl and Company Iron Foundry (Oetl és Társa Vasöntőde)

Non-ferrous metals such as chrome, nickel, manganese, etc., required for making steel alloys are unobtainable. [redacted] Consequently the metal vehicle components and semi-finished products from this plant are of inferior quality.

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6. The loss in income experienced by factories, due to the high percentage of rejects, is having an effect on workers' wages which have been reduced. The cost of rejects is recovered partly by reducing the wages of all workers who are not Party members. The following disturbances over pay have been reported from the following factories:

- a. Ikarusz Car Body Shop at Matyasföld, Budapest, at Christmas 1951.
 - b. Csepel Automobile Works. There were riots because the workers were given only an advance on their wages at Christmas time, and the factory was out of cash. The Communist workers insulted the female director Mrs. Biro (a relative of Premier Rakosi), and overturned her desk.
 - c. Ganz Wagon Factory. Similar riots.
- In all these disturbances, police and AVH armed troops were called in to maintain order.